



# Arizona State Retirement System

3300 North Central Avenue, Phoenix, AZ 85012

[WWW.AZASRS.GOV](http://WWW.AZASRS.GOV)

## **Special Notice**

### **Defined Contribution System Plan 13<sup>th</sup> Check 2008**

Questions?  
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*December 1, 2008*

The ASRS Board of Trustees at its November 21 meeting accepted annual actuarial valuations of the various plans administered by the ASRS for the fiscal year ending June 30, 2008.

The valuation for the Defined Contribution System has been determined to be 102 percent, which is in the range that will keep benefits at current levels, but will not allow for any addition to the 13<sup>th</sup> check or to supplemental credit for System members this year.

Retired System members who have received a 13<sup>th</sup> check in the past will again receive a 13<sup>th</sup> check this year in the same amount as last year's check. Checks are scheduled to be mailed by mid December.

The System is a defined contribution plan and was the original retirement plan when the ASRS was created in 1953. Benefits are based on the total contributions of the employee and employer, plus interest and supplemental credits in a participant's account at the time of retirement. Unlike the ASRS defined benefit plan, System benefits are not fully guaranteed and are subject to gains and losses in the investment world. If losses occur, and the System fund falls below a 95-percent funded status, the Board is required to reduce benefits to System members to restore the fund. If the funded status exceeds 105 percent, the Board may provide for additions to the 13<sup>th</sup> check or supplemental credits. Because the funded status is 102 percent, benefits remain the same.

In 1970, the Legislature authorized the creation of the current ASRS defined benefit plan. **All ASRS members who began participation in the ASRS since the mid 1970s are in the defined benefit plan, which does not provide for 13<sup>th</sup> check disbursements and, therefore, are not affected by this announcement.**

As of June 30, 2008, there were 1,656 retired System members, and 123 non-retired members, including 37 actively contributing members.

The full System Valuation report is expected to be available after the first of the year.

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